

SENATE BILL 248

A1

(11r0341)

ENROLLED BILL

— *Education, Health, and Environmental Affairs/Economic Matters* —

Introduced by **Senators Raskin, Astle, Benson, Brinkley, Brochin, Colburn, Dyson, Forehand, Frosh, Garagiola, Getty, Glassman, Jacobs, Jennings, Jones-Rodwell, Kasemeyer, Kelley, King, Kittleman, Madaleno, Manno, Montgomery, Muse, Pinsky, Pipkin, Pugh, Ramirez, Reilly, Robey, Shank, Young, and Zirkin**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

_____ day of _____ at _____ o'clock, _____ M.

President.

CHAPTER _____

1 AN ACT concerning

2 **Alcoholic Beverages – Direct Wine ~~Shipper’s Permit~~ Shipment**

3 FOR the purpose of repealing provisions that provide for a direct wine seller’s permit;
4 establishing a direct wine shipper’s permit to be issued by the Office of the
5 Comptroller; authorizing the Office ~~of the Comptroller~~ to issue a common
6 carrier permit to certain persons; specifying a certain common carrier permit
7 fee; requiring a person to ~~be licensed~~ obtain a certain permit before the person
8 ~~or the person’s agent~~ may engage in shipping wine directly to a direct wine
9 consumer in the State; requiring an applicant to meet certain qualifications for
10 a direct wine shipper’s permit, submit an application and a copy of its current
11 alcoholic beverages license or proof of the applicant’s status to the Office ~~of the~~

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

Italics indicate opposite chamber/conference committee amendments.



1 ~~Comptroller~~, and pay a certain fee; specifying the term of a direct wine shipper's
 2 permit; requiring a direct wine shipper to perform certain actions; prohibiting a
 3 direct wine shipper from shipping more than a certain amount of wine ~~annually~~
 4 each year to any one consumer or a single delivery address or ~~make~~ making
 5 deliveries on Sunday; requiring a direct wine shipper to meet certain
 6 requirements to renew the permit; authorizing the Office ~~of the Comptroller~~
 7 to deny a renewal application under certain circumstances; specifying certain
 8 requirements for receiving a direct shipment of wine; requiring a common
 9 carrier to make a certain report; requiring a common carrier to submit certain
 10 information to the Comptroller in a certain manner at certain times; requiring a
 11 common carrier to verify certain information each year in a certain manner;
 12 requiring certain persons to maintain certain records for a certain period;
 13 allowing a shipment of wine to be ordered or purchased through electronic or
 14 other means; authorizing the Office ~~of the Comptroller~~ to adopt certain
 15 regulations; prohibiting a person without a permit from shipping wine directly
 16 to consumers in the State; providing that each violation of certain provisions is
 17 a separate violation, subject to certain penalties; providing for the application of
 18 certain provisions concerning delivery of alcoholic beverages; requiring a certain
 19 security to be posted under certain circumstances; defining certain terms;
 20 making certain technical corrections; altering a certain definition; requiring the
 21 Comptroller to study certain matters and submit a report to certain committees
 22 on or before a certain date; making the provisions of this Act severable; and
 23 generally relating to the establishment of a direct wine shipper's permit.

24 BY repealing

25 Article 2B – Alcoholic Beverages

26 Section 7.5–101 through 7.5–110 and the title “Title 7.5. Direct Wine Seller’s
 27 Permit”

28 Annotated Code of Maryland

29 (2005 Replacement Volume and 2010 Supplement)

30 BY repealing and reenacting, with amendments,

31 Article 2B – Alcoholic Beverages

32 Section 2–101(b)(1)(i) and (g), 9–102(a), 12–301, 14–202, and 15–204(b)

33 Annotated Code of Maryland

34 (2005 Replacement Volume and 2010 Supplement)

35 BY adding to

36 Article 2B – Alcoholic Beverages

37 Section 2–101(y); and 7.5–101 through ~~7.5–113~~ 7.5–114 to be under the new
 38 title “Title 7.5. Direct Wine Shipper’s Permit”

39 Annotated Code of Maryland

40 (2005 Replacement Volume and 2010 Supplement)

41 BY repealing and reenacting, without amendments,

42 Article 2B – Alcoholic Beverages

43 Section 16–503

1 5. ~~[\$10] \$100~~ **\$200** for ISSUANCE OR RENEWAL OF a
 2 direct wine [seller's permit] **SHIPPER'S PERMIT; AND**

3 6. **\$100 FOR A COMMON CARRIER PERMIT.**

4 (g) (1) The permit authorizes the operation of a warehouse for the storage
 5 of alcoholic beverages for the accounts of other persons and for the transportation for
 6 the accounts of other persons of alcoholic beverages into, within, or out of this State.

7 (2) A permit may be issued for transportation or storage, or both.

8 (3) A license or permit holder need not have a transportation permit to
 9 deliver alcoholic beverages which under this article the licensee or permit holder is
 10 authorized to acquire, store, sell, or use.

11 (Y) (1) **THE OFFICE OF THE COMPTROLLER MAY ISSUE A COMMON**
 12 **CARRIER PERMIT TO A PERSON WHO MEETS THE DEFINITION OF A "COMMON**
 13 **CARRIER" UNDER § 7.5-101 OF THIS ARTICLE.**

14 (2) **THE HOLDER OF A COMMON CARRIER PERMIT MAY DELIVER**
 15 **WINE FROM A LOCATION INSIDE OR OUTSIDE THE STATE TO A CONSUMER IN**
 16 **THE STATE FOR THE CONSUMER'S PERSONAL USE UNDER TITLE 7.5 OF THIS**
 17 **ARTICLE.**

18 (3) **THE HOLDER OF A COMMON CARRIER PERMIT THAT**
 19 **DELIVERS WINE SOLELY UNDER TITLE 7.5 OF THIS ARTICLE MAY NOT BE**
 20 **REQUIRED TO OBTAIN A TRANSPORTATION PERMIT ISSUED UNDER SUBSECTION**
 21 **(G) OF THIS SECTION IN ADDITION TO THE COMMON CARRIER PERMIT.**

22 **TITLE 7.5. DIRECT WINE SHIPPER'S PERMIT.**

23 **7.5-101.**

24 (A) **IN THIS TITLE THE FOLLOWING WORDS HAVE THE MEANINGS**
 25 **INDICATED.**

26 (B) (1) **"COMMON CARRIER" MEANS A BUSINESS ENTITY THAT**
 27 **HOLDS:**

28 (I) **HOLDS ITSELF OUT AS BEING AVAILABLE TO THE**
 29 **PUBLIC TO TRANSPORT IN INTERSTATE OR FOREIGN COMMERCE FOR**
 30 **COMPENSATION ANY CLASS OF PASSENGER OR PROPERTY; AND**

1 (II) HOLDS A COMMON CARRIER PERMIT ISSUED UNDER §
 2 2-101(Y) OF THIS ARTICLE.

3 (2) “COMMON CARRIER” DOES NOT INCLUDE A BUSINESS ENTITY
 4 THAT TRANSPORTS ONLY PROPERTY IT OWNS OR THAT IS CONSIGNED TO IT.

5 (C) “DIRECT WINE SHIPPER” MEANS THE HOLDER OF A DIRECT WINE
 6 SHIPPER’S PERMIT ISSUED UNDER THIS TITLE.

7 (D) ~~“WINE POMACE BRANDY” INCLUDES~~ MEANS BRANDY THAT IS
 8 DISTILLED FROM THE PULPY RESIDUE OF THE WINE PRESS, INCLUDING THE
 9 SKINS, PIPS, AND STALKS OF GRAPES.

10 (E) (1) “WINE” INCLUDES POMACE BRANDY.

11 (2) “WINE” DOES NOT INCLUDE BEER, DISTILLED SPIRITS, OR
 12 ANY ALCOHOLIC BEVERAGE OTHER THAN WINE.

13 **7.5-102.**

14 A PERSON SHALL BE ISSUED A DIRECT WINE SHIPPER’S PERMIT BY THE
 15 OFFICE OF THE COMPTROLLER AS A DIRECT WINE SHIPPER BEFORE THE
 16 PERSON ~~OR THE PERSON’S AGENT~~ MAY ENGAGE IN SHIPPING WINE DIRECTLY TO
 17 A CONSUMER IN THE STATE.

18 **7.5-103.**

19 TO QUALIFY FOR A DIRECT WINE SHIPPER’S PERMIT, AN APPLICANT
 20 SHALL BE:

21 (1) A PERSON LICENSED OUTSIDE THE STATE TO ENGAGE IN THE
 22 MANUFACTURE OF WINE; OR

23 ~~(2) AN AUTHORIZED BRAND OWNER OF WINE, A UNITED STATES~~
 24 ~~IMPORTER OF WINE, OR A DESIGNATED MARYLAND AGENT OF A BRAND OWNER~~
 25 ~~OR UNITED STATES IMPORTER;~~

26 ~~(3)~~ (2) A HOLDER OF A CLASS 3 MANUFACTURER’S LICENSE OR
 27 A CLASS 4 MANUFACTURER’S LICENSE ISSUED UNDER THIS ARTICLE; ~~OR~~

28 ~~(4) A PERSON LICENSED BY THE STATE OR OUTSIDE THE STATE~~
 29 ~~TO ENGAGE IN THE RETAIL SALE OF WINE FOR CONSUMPTION OFF THE~~
 30 ~~PREMISES.~~

1 **7.5-104.**

2 (A) AN APPLICANT FOR A DIRECT WINE SHIPPER'S PERMIT SHALL:

3 (1) SUBMIT TO THE OFFICE OF THE COMPTROLLER A
4 COMPLETED APPLICATION ON A FORM THAT THE OFFICE OF THE
5 COMPTROLLER PROVIDES;

6 (2) PROVIDE TO THE OFFICE OF THE COMPTROLLER:

7 ~~(I) A COPY OF THE APPLICANT'S CURRENT ALCOHOLIC~~
8 ~~BEVERAGES LICENSE; OR~~9 ~~(II) PROOF OF THE APPLICANT'S STATUS AS:~~10 ~~1. AN AUTHORIZED BRAND OWNER OF WINE;~~11 ~~2. A UNITED STATES IMPORTER OF WINE; OR~~12 ~~3. A DESIGNATED MARYLAND AGENT OF A BRAND~~
13 ~~OWNER; AND~~14 ~~(3) PAY A FEE OF \$100~~ A COPY OF THE APPLICANT'S CURRENT
15 ALCOHOLIC BEVERAGES LICENSE; AND16 ~~(2)~~ (3) PAY A FEE OF \$200 FOR INITIAL ISSUANCE OF THE
17 DIRECT WINE SHIPPER'S PERMIT.18 (B) THE OFFICE OF THE COMPTROLLER SHALL ISSUE A DIRECT WINE
19 SHIPPER'S PERMIT TO EACH APPLICANT WHO MEETS THE REQUIREMENTS OF
20 THIS TITLE FOR THE DIRECT WINE SHIPPER'S PERMIT.21 **7.5-105.**22 A DIRECT WINE SHIPPER'S PERMIT ENTITLES THE HOLDER TO SELL WINE
23 MANUFACTURED BY THE HOLDER THROUGH A HOLDER OF A COMMON CARRIER
24 PERMIT TO A CONSUMER BY RECEIVING AND FILLING ORDERS THAT THE
25 CONSUMER TRANSMITS BY ELECTRONIC OR OTHER MEANS.26 **7.5-106.**27 THE TERM OF A DIRECT WINE SHIPPER'S PERMIT IS 1 YEAR AND BEGINS
28 ON THE DAY THE COMPTROLLER ISSUES THE PERMIT JULY 1.

1 7.5-107.

2 (A) A DIRECT WINE SHIPPER SHALL:

3 (1) ENSURE THAT ALL CONTAINERS OF WINE SHIPPED DIRECTLY
4 TO A CONSUMER IN THE STATE ARE CONSPICUOUSLY LABELED WITH:

5 (I) THE NAME OF THE DIRECT WINE SHIPPER;

6 (II) THE NAME AND ADDRESS OF THE CONSUMER WHO IS
7 THE INTENDED RECIPIENT; AND

8 (III) THE WORDS "CONTAINS ALCOHOL: SIGNATURE OF
9 PERSON AT LEAST 21 YEARS OF AGE REQUIRED FOR DELIVERY";

10 (2) REPORT QUARTERLY TO THE OFFICE OF THE COMPTROLLER
11 THE TOTAL AMOUNT OF WINE, BY TYPE, SHIPPED IN THE STATE, THE PRICE
12 CHARGED, AND THE NAME AND ADDRESS OF EACH PURCHASER;

13 (3) FILE A QUARTERLY TAX RETURN IN ACCORDANCE WITH §
14 5-201(D) OF THE TAX - GENERAL ARTICLE;

15 (4) PAY QUARTERLY TO THE OFFICE OF THE COMPTROLLER ALL
16 SALES TAXES AND EXCISE TAXES DUE ON SALES TO CONSUMERS IN THE STATE,
17 AND CALCULATE THE TAXES AS IF THE SALE WERE MADE ~~AT THE DELIVERY~~
18 ~~LOCATION~~ IN THE STATE;

19 (5) MAINTAIN FOR A PERIOD OF 3 YEARS COMPLETE AND
20 ACCURATE RECORDS OF ALL INFORMATION NEEDED TO VERIFY COMPLIANCE
21 WITH THIS TITLE;

22 ~~(5)~~ (6) ALLOW THE OFFICE OF THE COMPTROLLER TO
23 PERFORM AN AUDIT OF THE DIRECT WINE SHIPPER'S RECORDS ON REQUEST;
24 AND

25 ~~(6)~~ (7) CONSENT TO THE JURISDICTION OF THE OFFICE OF
26 THE COMPTROLLER OR OTHER STATE UNIT AND THE STATE COURTS
27 CONCERNING ENFORCEMENT OF THIS SECTION AND ANY RELATED LAW.

28 (B) A DIRECT WINE SHIPPER MAY NOT:

29 (1) SHIP MORE THAN ~~24~~ 18 9-LITER CASES OF WINE ANNUALLY
30 ~~TO ANY ONE CONSUMER~~ A SINGLE DELIVERY ADDRESS; OR

1 (2) CAUSE WINE TO BE DELIVERED ON SUNDAY TO AN ADDRESS
2 IN THE STATE.

3 **7.5-108.**

4 (A) A DIRECT WINE SHIPPER MAY ~~ANNUALLY~~ RENEW ITS DIRECT WINE
5 SHIPPER'S PERMIT EACH YEAR IF THE DIRECT WINE SHIPPER:

6 (1) IS OTHERWISE ENTITLED TO HAVE A DIRECT WINE SHIPPER'S
7 PERMIT;

8 (2) PROVIDES TO THE OFFICE OF THE COMPTROLLER A COPY OF
9 ITS CURRENT PERMIT; AND

10 (3) PAYS TO THE OFFICE OF THE COMPTROLLER A RENEWAL FEE
11 OF ~~\$50~~ \$200.

12 (B) THE OFFICE OF THE COMPTROLLER MAY DENY A RENEWAL
13 APPLICATION OF A DIRECT WINE SHIPPER WHO FAILS TO:

14 (1) FILE A TAX RETURN REQUIRED UNDER THIS TITLE;

15 (2) PAY A FEE OR TAX WHEN DUE; OR

16 (3) AFTER RECEIVING NOTICE, COMPLY WITH A PROVISION OF
17 THIS ARTICLE OR A REGULATION THAT THE OFFICE OF THE COMPTROLLER
18 ADOPTS UNDER THIS ARTICLE.

19 **7.5-109.**

20 (A) TO RECEIVE A DIRECT SHIPMENT OF WINE, A CONSUMER IN THE
21 STATE SHALL BE AT LEAST 21 YEARS OLD.

22 (B) A PERSON WHO RECEIVES A SHIPMENT OF WINE SHALL USE THE
23 SHIPMENT FOR PERSONAL CONSUMPTION ONLY AND MAY NOT RESELL IT.

24 **7.5-110.**

25 (A) A PERSON SHALL BE ISSUED A COMMON CARRIER PERMIT BEFORE
26 THE PERSON MAY ENGAGE IN TRANSPORTING WINE FROM A DIRECT WINE
27 SHIPPER TO A CONSUMER.

28 (B) THE TERM OF A COMMON CARRIER PERMIT IS 1 YEAR AND BEGINS
29 ON JULY 1.

1 ~~(B)~~ (C) TO COMPLETE DELIVERY OF A SHIPMENT, THE COMMON
2 CARRIER SHALL REQUIRE FROM A CONSUMER AT THE ADDRESS LISTED ON THE
3 SHIPPING LABEL:

4 (1) THE SIGNATURE OF THE CONSUMER OR ANOTHER
5 INDIVIDUAL AT THE ADDRESS WHO IS AT LEAST 21 YEARS OLD; AND

6 (2) ~~PHOTOGRAPHIC~~ GOVERNMENT-ISSUED PHOTOGRAPHIC
7 IDENTIFICATION SHOWING THAT THE ~~CONSUMER~~ SIGNING INDIVIDUAL IS AT
8 LEAST 21 YEARS OLD.

9 ~~(C)~~ (D) A COMMON CARRIER SHALL REFUSE DELIVERY WHEN THE
10 INTENDED RECEIVING ~~CONSUMER~~ INDIVIDUAL APPEARS TO BE UNDER 21
11 YEARS ~~OLD~~ OF AGE OR REFUSES TO PRESENT VALID IDENTIFICATION.

12 (E) AT THE TIME OF INITIAL APPLICATION FOR A COMMON CARRIER
13 PERMIT AND ON REQUEST OF THE COMPTROLLER, A COMMON CARRIER SHALL
14 SUBMIT TO THE COMPTROLLER INFORMATION CONCERNING THE TRAINING OF
15 ITS DRIVERS IN VERIFYING THE AGE OF RECIPIENTS OF DIRECT WINE
16 SHIPMENTS UNDER THIS TITLE.

17 (F) AT LEAST ONCE EACH YEAR, IN A MANNER ACCEPTABLE TO THE
18 COMPTROLLER, A HOLDER OF A COMMON CARRIER PERMIT SHALL VERIFY
19 THAT THE SHIPPER OF WINE INTO THE STATE UNDER THIS TITLE HOLDS A
20 VALID DIRECT WINE SHIPPER'S ~~LICENSE~~ PERMIT.

21 7.5-111.

22 (A) A COMMON CARRIER SHALL REPORT QUARTERLY TO THE OFFICE
23 OF THE COMPTROLLER:

24 ~~(A)~~ (1) THE DATE OF EACH DELIVERY OF WINE IN THE STATE; AND

25 ~~(B)~~ (2) THE NAME AND ADDRESS OF THE DIRECT WINE SHIPPER AND
26 THE RECEIVING CONSUMER OF EACH DELIVERY.

27 (B) A COMMON CARRIER SHALL MAINTAIN FOR A PERIOD OF 3 YEARS
28 COMPLETE AND ACCURATE RECORDS OF ALL INFORMATION NEEDED TO VERIFY
29 COMPLIANCE WITH THIS TITLE.

30 7.5-112.

1 **THE OFFICE OF THE COMPTROLLER MAY ADOPT REGULATIONS TO CARRY**
2 **OUT THIS TITLE.**

3 **7.5-113.**

4 **~~A BUSINESS ENTITY PERSON~~ WITHOUT A DIRECT WINE SHIPPER'S PERMIT**
5 **MAY NOT SHIP WINE DIRECTLY TO CONSUMERS IN THE STATE.**

6 **7.5-114.**

7 **EACH VIOLATION OF THIS TITLE IS A SEPARATE VIOLATION.**

8 9-102.

9 (a) **(1)** No more than one license provided by this article, except by way of
10 renewal or as otherwise provided in this section, shall be issued in any county or
11 Baltimore City, to any person, or for the use of any partnership, corporation,
12 unincorporated association, or limited liability company, in Baltimore City or any
13 county of the ~~State, and no~~ **STATE.**

14 **(2)** **NO** more than one license shall be issued for the same premises
15 except as provided in §§ 2-201 through 2-208, 2-301, ~~and~~ 6-701, **AND TITLE 7.5** of
16 ~~this article, and nothing herein shall~~ **ARTICLE.**

17 **(3)** **THIS SUBSECTION MAY NOT** be construed to apply to §
18 6-201(r)(4), (15), (17), and (18), § 7-101(b) and (c), § 8-202(g)(2)(ii) and (iii), § 8-217(e),
19 § 8-508, § 8-902, § 9-217(b-1), or § 12-202 of this article.

20 **12-301.**

21 (a) **(1)** **A retail dealer may not employ any solicitor or salesman for the**
22 **purpose of soliciting, outside of the licensed place of business, orders for the sale of any**
23 **alcoholic beverages within this State.**

24 **(2)** **The sale of alcoholic beverages may not be consummated outside of**
25 **the licensed place of business.**

26 **(3)** **These provisions do not prohibit the receiving of orders by mail,**
27 **telephone or messenger and the filling of such orders by delivery and the payment for**
28 **them at the place of delivery.**

29 (b) **Retail delivery to a purchaser of any alcoholic beverages is prohibited**
30 **unless:**

31 **(1)** **The delivery is made from the retail licensed premises by the retail**
32 **license holder or employee of the retail license holder authorized to sell and distribute**

1 alcoholic beverages by the local licensing authority in the jurisdiction where the
2 delivery is made; and

3 (2) The retail license holder obtains a letter of authorization from the
4 local licensing authority to make deliveries and complies with any regulations
5 promulgated by the local licensing authority pertaining to those deliveries.

6 (c) (1) This subsection applies only in Howard County.

7 (2) An alcoholic beverages licensee may not make a retail delivery of
8 alcoholic beverages unless the purchaser:

9 (i) Is physically present on the licensed premises when the
10 purchaser orders the alcoholic beverages; and

11 (ii) Makes payment for the purchase at the time of the order.

12 (d) (1) This subsection applies only in Montgomery County.

13 (2) An alcoholic beverages licensee may not make an off-site retail
14 delivery of alcoholic beverages unless:

15 (i) The deliverer is at least:

16 1. 21 years old; or

17 2. 18 years old and is accompanied by a supervisor who
18 is at least 21 years old; and

19 (ii) The person taking possession of the delivery provides the
20 deliverer with written certification supported by documentary proof that the person is
21 of legal age to purchase alcoholic beverages. Certification shall be in the form set forth
22 in § 12-109(1) of this article.

23 (3) (i) Each certification executed under this subsection shall be
24 retained by the licensee for at least 1 year.

25 (ii) The certifications shall be available for examination during
26 regular business hours by an authorized representative of the Board of License
27 Commissioners.

28 (4) The Board of License Commissioners shall adopt regulations to
29 implement this subsection.

30 (e) (1) This subsection applies only in Garrett County.

1 (2) The Board of License Commissioners may issue a delivery option
2 that entitles an alcoholic beverages licensee or an authorized employee of the licensee
3 to make an off-site retail delivery of alcoholic beverages if:

4 (i) The deliverer is at least 21 years old and certified by an
5 approved alcohol awareness program;

6 (ii) The deliverer and purchaser endorse a delivery form that
7 the Board of License Commissioners approves certifying that:

8 1. The person who receives the delivery claims to be at
9 least 21 years old, and the claim is supported by documentary proof;

10 2. The person who receives the delivery knows that it is
11 a criminal offense for alcoholic beverages to be furnished to a person under the age of
12 21 years; and

13 3. The deliverer examined the purchaser's identification.

14 (3) Each delivery form endorsed under paragraph (2)(ii) of this
15 subsection shall be submitted to the Board of License Commissioners on or before the
16 10th day of the following month.

17 (4) (i) The annual fee for a delivery option is \$150.

18 (ii) In addition to an annual fee, the Board of License
19 Commissioners shall charge an issuing fee of \$150.

20 (5) The Board of License Commissioners shall adopt regulations to
21 carry out this subsection.

22 **(F) THIS SECTION DOES NOT APPLY TO:**

23 **(1) THE DELIVERY OF WINE FROM A DIRECT WINE SHIPPER TO A**
24 **CONSUMER USING A COMMON CARRIER IN ACCORDANCE WITH TITLE 7.5 OF**
25 **THIS ARTICLE; OR**

26 **(2) THE HOLDER OF A COMMON CARRIER PERMIT IN THE COURSE**
27 **OF DELIVERING DIRECTLY SHIPPED WINE IN ACCORDANCE WITH TITLE 7.5 OF**
28 **THIS ARTICLE.**

29 14-202.

30 **(A) Every common carrier, by rail, air, water or highway, transporting**
31 **alcoholic beverages, either in interstate or intrastate commerce, to points within the**
32 **State of Maryland, and every person transporting alcoholic beverages by [whatsoever**

1 manner] ANY MEANS within the State of Maryland, shall at any time and from time to
2 time, upon written request of the Comptroller, report under oath on forms prescribed
3 by the Comptroller, all such consignments or deliveries of alcoholic beverages, for such
4 period as the Comptroller may specify.

5 **(B)** If required by the Comptroller, [such] THE reports shall show [the]:

6 **(1)** THE name and address of the person to whom the deliveries of
7 alcoholic beverages have actually and in fact been made[, the];

8 **(2)** THE name and address of the original consignee, if alcoholic
9 beverages have been delivered to any other PERSON than the originally named
10 consignee[, the];

11 **(3)** THE point of origin, the point of delivery, the date of delivery and
12 the number and initials of each car, if shipped by rail, the name of the boat, barge or
13 vessel, if shipped by water, the license number of each truck, if shipped by motor
14 truck, or if delivered by other means, the manner in which [such] THE delivery was
15 made[, the];

16 **(4)** THE kind of alcoholic beverages and the number of gallons
17 [thereof] OF EACH contained in any such shipment or shipments; and [such]

18 **(5)** ANY other additional information relative to shipments [as] THAT
19 the Comptroller may require.

20 **(C)** Nothing [herein] IN THIS SECTION [shall] MAY be construed to
21 authorize [the]:

22 **(1)** THE consignment of alcoholic beverages from any point outside of
23 the State to points within the State of Maryland, to any person except [the]:

24 **(I)** THE holder of a permit or manufacturer's or wholesaler's
25 license, duly issued under [the provisions of] this article; or [the]

26 **(II)** A CONSUMER UNDER TITLE 7.5 OF THIS ARTICLE; OR

27 **(2)** THE consignment of alcoholic beverages from any point within this
28 State to a point outside the State, to any person not authorized to receive the same
29 under the law of the point of destination.

30 15-204.

31 (b) (1) Provided, that in Montgomery County no person, firm, or
32 corporation shall keep for sale any alcoholic beverage not purchased from the

1 Department of Liquor Control for Montgomery County, provided, however, that
 2 nothing in this subsection shall apply to a holder of a Class F license or a holder of a
 3 Class 1 beer, wine and liquor, Class 2 wine and liquor, Class 3 beer and wine, Class 4
 4 beer, or Class 5 wine wholesaler's license, who may not sell or deliver any alcoholic
 5 beverage in Montgomery County for resale except to a county liquor dispensary.

6 (2) Notwithstanding paragraph (1) of this subsection:

7 (i) 1. A holder of a Class 6 limited wine wholesaler's license
 8 or of a nonresident winery permit may sell or deliver wine directly to a county liquor
 9 dispensary, restaurant, or other retail dealer in Montgomery County; and

10 [(ii)] 2. A county liquor dispensary, restaurant, or other retail
 11 dealer in Montgomery County may purchase wine directly from a holder of a Class 6
 12 limited wine wholesaler's license or of a nonresident winery permit; AND

13 (II) A HOLDER OF A DIRECT WINE SHIPPER'S PERMIT MAY
 14 SHIP WINE DIRECTLY TO A CONSUMER IN MONTGOMERY COUNTY.

15 16-503.

16 Any person violating the provisions of this article for which no penalty, other
 17 than the suspension or revocation of a license or permit, is provided, shall be deemed
 18 guilty of a misdemeanor and upon conviction thereof shall be subject to a fine of not
 19 more than one thousand dollars (\$1,000.00) or to imprisonment for not more than two
 20 years in the House of Correction, or jail, or both fined and imprisoned.

21 **Article – Tax – General**

22 5-101.

23 (a) In this title the following words have the meanings indicated.

24 (f) "Direct wine [seller] SHIPPER" has the meaning stated in Article 2B, §
 25 7.5-101 of the Code.

26 5-201.

27 (d) [(1)] A person who is a direct wine [seller] SHIPPER shall file with the
 28 Office of the Comptroller [an annual] A QUARTERLY tax return.

29 [(2)] The annual tax return shall be due no later than October 15 of
 30 each year covering the previous 12 calendar months ending September 30.]

31 13-825.

1 (b) The Comptroller shall require:

2 (1) a manufacturer, wholesaler, or nonresident winery permit holder
3 who sells or delivers beer or wine to retailers in the State to post security for the
4 alcoholic beverage tax:

5 (i) in an amount not less than:

6 1. \$1,000 for beer; and

7 2. \$1,000 for wine; and

8 (ii) if the alcoholic beverage tax on beer and wine paid in any 1
9 month exceeds \$1,000, in an additional amount at least equal to the excess; [and]

10 (2) a manufacturer or wholesaler who sells or delivers any distilled
11 spirits or any wine and distilled spirits in the State to post a security for the alcoholic
12 beverage tax:

13 (i) in an amount not less than \$5,000; and

14 (ii) in an additional amount:

15 1. equal to twice the amount of its largest monthly
16 alcoholic beverage tax liability for wine and distilled spirits in the preceding calendar
17 year less \$5,000; or

18 2. if the information for the preceding calendar year is
19 not available or cannot be provided, equal to the amount that the Comptroller
20 requires; AND

21 **(3) EXCEPT AS PROVIDED IN SUBSECTION (I) OF THIS SECTION, A**
22 **HOLDER OF A DIRECT WINE SHIPPER'S PERMIT TO POST SECURITY FOR THE**
23 **ALCOHOLIC BEVERAGE TAX IN AN AMOUNT NOT LESS THAN ~~\$250~~ \$1,000.**

24 **(I) A PERSON NEED NOT POST SECURITY UNDER SUBSECTION (B)(3) OF**
25 **THIS SECTION IF:**

26 **(1) THE PERSON IS A MANUFACTURER ~~OR WHOLESALER~~ THAT**
27 **HAS POSTED SECURITY UNDER SUBSECTION (B)(2) OF THIS SECTION; OR**

28 **(2) ~~NOT LATER THAN THE THIRD ANNIVERSARY OF ISSUING A AT~~**
29 **ANY TIME STARTING 3 YEARS AFTER THE COMPTROLLER FIRST ISSUES A**
30 **DIRECT WINE SHIPPER'S PERMIT TO THE PERSON, THE COMPTROLLER:**

1 (I) DETERMINES THAT THE PERSON HAS A SUBSTANTIAL
2 RECORD OF TAX AND REPORTING COMPLIANCE; AND

3 (II) WAIVES THE SECURITY REQUIREMENT.

4 SECTION 3. AND BE IT FURTHER ENACTED, That:

5 (a) The Comptroller shall study the effects of the implementation of this Act,
6 including:

7 (1) the numbers of holders of direct wine shipper's permits and
8 common carrier permits issued;

9 (2) the volume of wine shipped to Maryland consumers;

10 (3) the revenues and costs to the State associated with direct wine
11 shipment; and

12 (4) the availability of certain imported varieties of wine to Maryland
13 consumers.

14 (b) On or before December 31, 2012, the Comptroller shall submit a report on
15 its findings under this section, in accordance with § 2-1246 of the State Government
16 Article, to the Senate Education, Health, and Environmental Affairs Committee and
17 the House Economic Matters Committee.

18 SECTION ~~3~~ 4. AND BE IT FURTHER ENACTED, That if any provision of this
19 Act or the application thereof to any person or circumstance is held invalid for any
20 reason in a court of competent jurisdiction, the invalidity does not affect other
21 provisions or any other application of this Act which can be given effect without the
22 invalid provision or application, and for this purpose the provisions of this Act are
23 declared severable.

24 SECTION ~~4~~ 5. AND BE IT FURTHER ENACTED, That this Act shall take
25 effect July 1, 2011.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.